

STANDARD PROCEDURE		PAGE: 1 OF 4	
ISSUED BY: LEGAL			
EFFECTIVE DATE: 3/1/98			
PROCEDURE # 4.10			
SUBJECT: DEVELOPMENT OF KRC LEGISLATIVE PROPOSALS			
DISTRIBUTION A,B,C		CONTACT:	KRC Legislative Liaison- Division of Tax Policy
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I. **POLICY**

In order to meet the Commonwealth's tax administrative needs, the Kentucky Revenue Cabinet (KRC) will identify inequities, ambiguities, or other problems in the administration of Kentucky statutes and administrative regulations and develop strategies for addressing those needs.

II. **PROCEDURE**

A. **Legislative Oversight Committee (LOC)**

The Legislative Oversight Committee (LOC) oversees the creation and administration of legislative policy. The deputy secretary (or the secretary's designee) shall chair the LOC with the KRC legislative liaison serving as vice-chair. The membership of the LOC shall include the:

- Deputy Secretary (or the secretary's designee) of the KRC,
- Commissioner of the Department of Law,
- Commissioner of the Department of Property Valuation,
- Commissioner of the Department of Tax Administration,
- Commissioner of the Department of Information Technology,
- Director of the Division of Tax Policy,
- Director of the Division of Research,
- Taxpayer Ombudsman,
- KRC legislative liaison, and
- A representative of the PVA Association.

B. **Legislative Advisory Committees (LAC)**

Individual Legislative Advisory Committees (LACs) will be created to represent all of the taxes under the KRC's jurisdiction. Individual LACs may be responsible for more than one tax. All tax consultants with the Division of Tax Policy will serve on at least one LAC. Each LAC shall include:

- a tax consultant from the Division of Tax Policy who shall serve as chair,
- a representative from the Division of Legal Services,
- a representative from the Division of Protest Resolution,
- a representative from the Office of Taxpayer Ombudsman,
- one or more representatives from the related tax administration areas who

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- possess expertise in the particular tax or areas of taxation for which the LAC is responsible, and
- any other KRC employee(s) who possesses expertise that would be beneficial to the mission of the LAC.

C. Legislative Liaison

The legislative liaison shall be an employee of the Division of Tax Policy. It shall be the responsibility of the Legislative Liaison to:

- Coordinate the development of KRC legislative initiatives, including organization of meetings, solicitation of staff involvement, and input from external sources.
- Coordinate development of KRC legislative calendar.
- Track KRC legislation from its inception through internal consideration and development and ultimately the General Assembly.
- Serve on the Legislative Oversight Committee.
- Act as KRC legislative liaison with the Governor's Office, other state agencies, the Legislative Research Commission, and the General Assembly.
- Represent KRC, along with other selected KRC personnel, at legislative hearings and meet with legislators and other appropriate parties to explain the KRC's position on tax and other legislative issues.
- Review the Legislative Record, Legislative Calendar, Administrative Register, other publications and sources for legislative proposals, other matters impacting the KRC, request copies of selected proposals, and alert appropriate KRC staff.
- Monitor movement of KRC initiated legislation and other legislation through the General Assembly and arrange for availability of KRC personnel at General Assembly meetings as needed.
- Coordinate KRC's review of bills assigned by the Governor's Office and other bills identified as relating to the KRC.
- Communicate as needed with the Governor's office staff to offer information, request assistance with legislation, or seek guidance with regard to the Governor's wishes on specific legislation.
- Conduct or schedule training sessions with KRC personnel on bill drafting,

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analyses, and legislative procedures, including computer software skills.

D. Legislation Development Process

- The legislative liaison will solicit legislative proposals and ideas from KRC staff and external groups impacted by the taxes administered by the KRC.
- The legislative liaison will forward the proposals and ideas to the appropriate LAC to review, evaluate, and prioritize.
- The appropriate LAC will prepare an 11-point analysis for each approved proposal and forward to the legislative liaison.
- The legislative liaison will forward all analyses to the LOC.
- The LOC will review each analysis submitted by the LAC.
- Each analysis approved by the LOC will be submitted to the Secretary for consideration and approval.
- Other state agencies and taxpayer groups affected by the KRC's proposed legislation will be contacted by the legislative liaison or member of a LAC.
- Proposals approved by the Secretary will be forwarded to the Governor's Office for approval.
- Proposals approved by the Governor's Office will be submitted to the appropriate LAC for bill drafting purposes.
- The bill draft will be submitted to the LOC for approval and then forwarded to the Legislative Research Commission (LRC). The goal for delivery of bill drafts and summaries is July 1 of each year preceding a regular session of the General Assembly.
- The legislative liaison will track the status of each proposal and be prepared to respond to any question asked by the Governor's Office.
- LRC will prepare the official bill drafts representing KRC proposals and the legislative liaison will distribute them to the appropriate LAC for review and analysis, using the Kentucky Legislative Review (KLR) System.
- The appropriate LAC shall create a summary of each bill and forward to the legislative liaison.
- A summary and the LRC bill draft will be sent to legislators for sponsorship.
- The LOC will assign KRC personnel to testify on behalf of the KRC on KRC

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proposals that are being considered by committees of the General Assembly.

- The KRC employee testifying on a proposal will prepare materials to support his testimony, including any anticipated amendment to the bill by the committee.
- The legislative liaison or his designee shall assign committee and floor amendments to the appropriate LAC to be analyzed.
- The LAC will update reviews when amendments are filed and submit them in the same manner as initial bill summaries.

NO STANDARD PROCEDURE MAY BE REVISED BY ADDENDUM, MEMORANDUM OR ANY OTHER MEANS OTHER THAN THOSE SET OUT IN STANDARD PROCEDURE #1.1 ENTITLED "CREATION, REVISION AND RESCISSION OF KRC POLICIES AND PROCEDURES."

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